



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: MCAC/Partnership EJ Subcommittee

DATE: October 23, 2006

FR: James Corless

RE: Background Materials for October 26th Meeting

At your September 8th EJ Subcommittee meeting you asked staff to address two critical questions in relation to follow up for the EJ funding analysis performed under cell 7: (1) why do the funding differences exist among transit operators in relation to ridership? and (2) how could these differences be addressed and minimized?

Attached you will find two items for discussion purposes on October 26th that will help answer the first question:

(1) "Flow of Funds" Table – FY98-FY05

These tables are broken out by capital and operating fund sources, as well as by MTC discretionary fund sources vs. non-discretionary fund sources. Staff will walk the subcommittee members through these charts at your meeting on October 26th. For the purposes of reviewing the tables and understanding their implications ahead of time, we have provided Attachment A that highlights key information in the table.

(2) A Table of Major "Capital Projects" for Transit Agencies – FY98-FY05

This table was produced by staff at the request of the EJ Subcommittee and the participating stakeholders. It documents the major transit capital projects funded from FY98-FY05 that make up a significant portion of the transit capital funding analyzed in cell 7b.

We will spend most of Thursday's meeting discussing these tables and what they mean in terms of answering the first question above. We hope this will set the stage for answering the second question above at your next meeting in November.

ATTACHMENT A

Operating

The information in this chart is as a result of new analysis using data drawn primarily from MTC's Statistical Summary, except where noted in the footnotes at the bottom of the page. The source data for the Statistical Summary is from the transit operator claim submittals or the National Transit Database.

For operating, the chart illustrates several key pieces of information:

- For the period FY1998-2005, there was roughly \$13.3 billion directed to operations in the region.
- Of this amount, \$11.4 billion funded operations of the five operators for which the EJ Subcommittee have focused their work to-date: AC Transit; BART; Caltrain; SF Muni; and VTA.
- 4 funding source categories make up roughly 87% of the operating funding:
 1. Transportation Development Act (TDA) (14% of the total);
 2. Fares (28% of the total);
 3. County Sales Tax (23% of the total); and
 4. Other (22% of the total).
- MTC Discretionary:
 1. For TDA, which is a one-quarter cent sales tax on all retail sales in each county, revenue accrues by county based on state law. Transit operators are only able to claim TDA funds in counties where they provide service – and TDA funds cannot be shifted between counties. For example, Muni is only eligible for funding in San Francisco County whereas Caltrain could technically file a claim in each county that it operates service.
 2. For State Transit Assistance, the revenue-based funds are apportioned to each operator based on qualifying revenues. However, MTC can redirect an operators' funding to another operator in the region to advance interregional coordination. This explains why BART has received less than its apportionment. Its funds are redirected to AC Transit for the transfer payment and to the Feeder Bus operators in Contra Costa and Alameda Counties. On the population-based side, MTC has a policy that commits these funds to the small operators, northern counties, regional paratransit and regional coordination activities.
 3. For the 25% of the AB1107 that MTC allocates, MTC is statutorily able to allocate these funds to AC Transit, BART, and Muni. The policy for many years has been to distribute these funds 50-50 to AC Transit and Muni. BART does not receive any of the 25% funds under MTC's discretion.
- Non-Discretionary:
 1. For fares, the individual operator passenger load as well as fare policies contribute to the amount each operator generates. The largest fare revenues in the region are attributed to BART followed by Muni, and AC Transit.
 2. For County Sales Tax, the primary funding is BART's dedicated portion of the AB1107 and VTA's dedicated transit funding.
 3. For "Other" sources, the largest amount is for Muni and represents their general fund contributions. For Caltrain, the amount is primarily member contributions. The MTC Statistical Summary does not cite the specific sources so each operator would need to confirm these sources.

Capital

The information in this chart is newly compiled based on MTC programming/allocation actions for the MTC Discretionary section and the transit earmarks. For the non-discretionary ‘other’, the total operator expenditure from the National Transit Database was used after deducting the MTC discretionary funding and the earmarks. There is a timing mismatch that occurs in this analysis because programmed and allocated funds may take multiple years to be expended.

For capital, the chart illustrates several key pieces of information:

- For the period FY 1998-2005, there was roughly \$7 billion directed to transit capital in the region for the five operators for which the EJ analysis has focused to-date: AC Transit, BART, Caltrain, SF Muni, and VTA.
- Because there is not a consolidated report of total capital transit expenditures – similar to the Statistical Summary on the operating side – the capital picture is more illustrative of the flow of funds as compared to the relative amounts that fund transit capital. Further, unlike operating, there are several sources for transit capital that are fungible to non-transit expenditures. These funding sources include those that have been “flexed” to transit from the Federal Highway Administration, such as STP and CMAQ, and state funds that are limited to non-rolling stock transit capital.
- MTC Discretionary:
 1. MTC discretionary funding sources make up roughly \$2.8 billion of these funds or approximately 38%.
 2. FTA funds comprise the lion-share of discretionary funds devoted to transit at \$1.8 billion over the period. For FTA funds, the revenues accrue to urbanized areas based on operator service and population factors. For FTA Section 5307 funds, transit operators are eligible for funds in those urbanized areas if they provide service in those areas, are an FTA eligible grantee, and report service factors to FTA in those areas. The same eligibility requirements are true for FTA Section 5309 Fixed Guideway (FG) funds, except that these funds are only eligible to properties operating fixed guideway systems or service operating on dedicated rights of way. In the MTC region, these currently include rail and ferry operators only. There are other agreements between operators that may further limit eligibility.
 3. AB 664 funds are statutorily restricted to transit properties operating in the Southern Bridge Corridor (San Francisco-Oakland Bay, San Mateo-Hayward, and Dumbarton Bridges) or providing feeder service to BART. The funds are split 70% East Bay and 30% West Bay based on a Caltrans report on a.m. commute traffic.
 4. Regional Measure 1 Rail Reserve funds are statutorily restricted to rail expansion projects, and are split 70%/30% East Bay/West Bay.
 5. Surface Transportation Program (STP) funds are highway funds that can be *flexed* to transit projects. The funds can only be used for capital projects.
 6. Congestion Mitigation and Air Quality (CMAQ) Funds are highway funds that can be *flexed* to transit projects and are generated in regions that are considered not in attainment or are considered maintenance areas based on the federally established ozone standard and must be used to improve air quality.
 7. Regional Transportation Improvement Program (RTIP) funds are administered by Caltrans and allocated by the California Transportation Commission. MTC is responsible for developing a program of projects every two years for this program. The Congestion Management Agencies take the lead in their respective counties. RTIP eligibility includes highway improvement projects, transit, pedestrian, local

streets and roads and bike projects. There are restrictions in the state constitution that prevent state funds in the RTIP from going to rolling stock projects.

Table 1A. FLOW OF FUNDS

OPERATING

Funding Type	Revenue Source	Regional Total	% of Total	Apportionment Areas for 5 Operators	Amount	Specific Operators **ONLY FOR OPERATORS CURRENTLY BEING ANALYZED**	Allocation/ Programmed Amount											
MTC Discretionary	TDA	1,878,798,000	14%	Alameda	408,335,100	AC Transit BART	345,581,200 3,081,600											
				Contra Costa	219,145,000	AC Transit BART	40,586,000 50,200											
				San Francisco	231,398,700	AC Transit BART Caltrain SF Muni	- - - 231,399,100											
				San Mateo	230,665,400	BART Caltrain	- -											
				Santa Clara	573,220,200	Caltrain VTA	- 573,219,500											
				STA - Revenue Based	246,002,000	2%	AC Transit BART Caltrain SF Muni VTA	30,707,579 54,433,659 15,170,612 86,635,885 36,712,701	AC Transit BART Caltrain SF Muni VTA	69,582,241 1,793,657 15,170,612 86,137,207 36,712,701								
	STA Population-Based	88,614,000	1%	All Operators	88,614,000	AC Transit BART Caltrain SF Muni VTA	8,008,829 742,854 - 5,032,408 5,431,218											
	AB1107 - MTC Administered	451,203,000	3%	AC Transit; BART; and SF Muni	451,203,000	AC Transit SF Muni	225,601,500 225,601,500											
	FTA - Preventive Maintenance	486,255,000	4%			AC Transit BART Caltrain SF Muni VTA	777,279,409											
	Non-Discretionary	Fares	3,662,789,000	28%			AC Transit BART Caltrain SF Muni VTA	355,446,722 1,582,884,460 164,905,997 825,064,722 255,821,566										
							County Sales Tax	3,034,515,000	23%			AC Transit BART SF Muni VTA	134,696,927 1,348,213,143 105,946,228 1,169,144,717					
												Property Tax	503,382,000	4%			AC Transit BART	337,255,823 142,623,880
																	Other	2,960,049,000
												Totals	13,311,607,000	100%				

Notes:

1) All figures are from MTC's Statistical Summary, unless otherwise noted below.

- TDA, STA, and AB1107 allocations are from MTC Annual Reports.

- FTA Preventive Maintenance information is from MTC FTA Programming actions.

- Apportionment area revenues are estimated from Statistical Summary for TDA, and from MTC Fund Estimate for AB 1107 and STA.

2) For FTA preventive maintenance (PM), these costs and funding were included in prior EJ Subcommittee information as operating. To avoid doublecounting and to illustrate funding flow, only the total PM amount is shown on the operating page; the breakdown by operator is included on the capital page under FTA Section 5307.

3) Since STA funds are primarily used for operating, the reporting is included in the operating page. Only Caltrain and BART used the revenue-based for capital. These amounts are shown on the operating page for simplicity.

4) This analysis assumes total revenues from the MTC statistical summary. In years where an operator has a budget surplus, the disposition of this surplus is not indicated..

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Table 1B. FUNDING FLOW

CAPITAL

Funding Type	Revenue Source	Total Amount	Eligible for 5 Operators	Amount	Specific Operators **ONLY FOR OPERATORS CURRENTLY BEING ANALYZED**	Allocation/ Programmed Amount
MTC Discretionary	Dedicated Transit Funding					
	FTA Section 5307	1,299,578,000	San Francisco-Oakland	898,196,580	AC Transit BART Caltrain Muni	200,733,641 108,082,996 42,270,905 485,756,407
			San Jose	257,551,898	Caltrain VTA	53,517,520 218,939,794
			Concord	56,327,387	BART	33,898,299
			Antioch	22,328,405	BART	7,535,300
			Gilroy-MH ¹	2,888,519	VTA	2,888,519
	FTA Section 5309 Fixed Guideway ²	612,234,000	San Francisco-Oakland	497,174,489	BART Caltrain Muni	180,566,751 118,923,440 261,245,765
			San Jose	87,588,576	Caltrain VTA	62,887,531 24,701,045
			Concord	25,648,416	BART	25,648,416
			Antioch	1,822,023	BART	1,822,023
	AB 664	96,000,000	East Bay	67,200,000	AC Transit BART	31,113,318 33,042,513
			West Bay	28,800,000	Caltrain Muni	714,168 30,085,614
	Bridge Tolls - RM1 Rail	82,000,000	East Bay West Bay	57,400,000 24,600,000	BART Muni	81,568,721 3,500,000
	Multi-Modal Funding (i.e. Roads, Highway, and Transit)					
	STP Regional Total	535,904,000	Transit Projects	204,499,141	AC Transit BART Caltrain Muni VTA	11,076,465 55,559,000 40,543,620 117,469,642 31,094,000
	CMAQ Regional Total	466,453,000	Transit Projects	237,037,471	AC Transit BART Caltrain Muni VTA	11,143,100 26,991,000 26,762,000 31,662,000 16,616,600
	RTIP Regional Total	1,605,885,000	Alameda Total	341,550,313	AC Transit BART	37,478,000 41,009,500
			Contra Costa Total	142,961,459	AC Transit BART	2,054,000 2,665,000
			San Francisco Total	86,610,550	BART Caltrain Muni	5,294,000 3,200,000 62,418,550
			San Mateo Total	114,434,500	BART Caltrain	32,065,500 3,717,000
			Santa Clara Total	523,031,000	Caltrain VTA	36,231,000 129,022,000
Non-Discretionary	Transit Earmarks Regional Total	946,995,000	Transit Total	946,995,000	AC Transit BART Caltrain Muni VTA	28,401,887 553,863,876 750,000 49,909,704 105,532,016
	Other	Not Readily Available	Not Readily Available		AC Transit BART Caltrain Muni VTA	104,915,389 1,523,885,616 308,514,845 574,066,061 1,378,303,562
Totals		5,645,049,000				7,361,657,618

Notes:

Net of Preventive Maintenance

6,992,713,209

- 1) Caltrain is eligible for Gilroy-Morgan Hill UA funds but because of multi-county agreements, Caltrain does not claim.
- 2) FTA Section 5309 FG funds are eligible for transit on isolated ROW (e.g., rail, ferry, BRT), and are generated only in large UAs.
- 3) FTA Section 5307 includes allocations made to operators for preventive maintenance (operating) and all CMAQ funds allocated for operating.
- 4) STP funds includes TEA \$ as well.
- 5) For FTA preventive maintenance, these costs and funding were included in prior EJ Subcommittee information as operating. For this illustration of funding flow, it is shown above as FTA. However, it is noted on the operating page, but not attributed by operator to avoid double-counting.
- 6) Since STA funds are primarily used for operating, the reporting is included in the operating page. Only Caltrain and BART used the revenue-based for capital. These amounts are shown on the operating page for simplicity.
- 7) For certain fund sources, the total amount apportioned to the transit operators exceeds MTC's total apportionment which is due to the inclusion of prior year carry-over funds.
- 8) Total AB 664 fund amount based on annual estimated generations of \$12 million.
- 9) FTA Section 5310, FTA Section 5311, and TEA funds not included in totals due to relatively small amounts distributed to relevant operators.
- 10) FTA Section 5307 funds programmed to preventive maintenance for capital purposes (funding exchanges) are included in the preventive maintenance totals since not all funding exchanges for every operator could be identified.

**Table 2. Illustrative Projects for Transit Properties in EJ Analysis
FY1998 - 2005**

AC Transit

Discretionary Projects		
Bus Component Rehabilitation	RTIP	22,425,000
Bus Replacement and bike racks	FTA 5307	9,813,769
Purchase 15 buses (San Pablo Ave.)	RTIP	7,575,000
Replacement Bus Purchase (59 buses).	FTA 5307	7,239,504
Bus Engine and Transmission Rehab	RTIP	5,849,000
Express Bus South	BRIDGE TOLL	5,300,000
AC Transit Bus Component Preventive Maintenance	STP	4,000,000
Replace 55 40' coaches w/o radio & fair	BRIDGE TOLL	3,629,717
Various capital replacement/upgrades	BRIDGE TOLL	3,600,000
Acquire 416 Bus Catalyst Devices	CMAQ	3,487,000
R-1989FILGalaxyD60 MB	BRIDGE TOLL	3,338,468
Tire and Tube Leasing Program	STP	3,319,000
Replace 31-1997 96 buses wo/radio & farebox	FTA 5307	3,133,573
San Pablo Ave Key Transit Rt. Phase 1	CMAQ	3,000,000
MMIS and Satcom 2000 Interface	CMAQ	2,655,000

Non-Discretionary Projects		
Replace 61 1991 30 foot Gilig Buses	OTHER LOCAL	18,440,000
AC Transit Preventive Maintenance Program	OTHER LOCAL	16,311,200
Replace 55 40' coaches w/o radio & fair	OTHER LOCAL	14,518,868
R-1989FILGalaxyD60MB	OTHER LOCAL	13,353,870
Replace 52-40" coaches w/o radio & fair	OTHER LOCAL	13,247,667
Replacement Bus Purchase (59 buses).	OTHER LOCAL	9,763,991
AC Transit Preventive Maintenance Program	OTHER LOCAL	5,277,000
Bus Component Rehabilitation	OTHER LOCAL	2,914,000
AC Transit SATCOM Expansion	EARMARK	1,811,000
Satcom 2000 Enhancement Project.	EARMARK	1,414,000

**Table 2. Illustrative Projects for Transit Properties in EJ Analysis
FY1998 - 2005**

BART

Discretionary Projects		
A and B Car Rehabilitation.	FTA 5309	158,583,002
Advanced Automatic Train Control System	RTIP	36,492,066
San Francisco Airport Extension	RTIP	30,985,500
Train Control Renovation	FTA 5307	27,807,407
San Francisco Airport Extension	BRIDGE TOLL	26,500,000
Wayside Train Control Rehab	FTA 5307	26,362,488
AFC Modernization/Translink Implementation	FTA 5309	24,087,000
AFC Modernization/Translink Implementation	FTA 5307	19,657,000
Rail, Way and Structures Program	FTA 5307	19,366,000

Non-Discretionary Projects		
San Francisco Airport Extension	FTA 5309 NS	667,344,430
San Francisco Airport Extension	OTHER LOCAL	254,200,000
San Francisco Airport Extension	PVT	200,000,000
A and B Car Rehabilitation.	OTHER LOCAL	144,689,000
San Francisco Airport Extension	OTHER LOCAL	102,500,000
San Francisco Airport Extension	TCI	56,000,000
AFC Modernization/Translink Implementation	OTHER LOCAL	41,173,750
San Francisco Airport Extension	STATE CASH	33,000,000
Advanced Automatic Train Control System	OTHER LOCAL	16,828,000
BART Seismic Retrofit Program	OTHER LOCAL	13,949,000
West Dublin BART Station	OTHER LOCAL	13,905,000
BART Transbay Tube Seismic Retrofit	TCRP	7,666,000

**Table 2. Illustrative Projects for Transit Properties in EJ Analysis
FY1998 - 2005**

Caltrain

Discretionary Projects		
Caltrain Maintenance Facility	FTA 5309	93,733,625
Track rehabilitation project	FTA 5307	32,222,305
Rapid Rail Related Projects Pt. I	FTA 5309	28,463,000
N/S Terminal Track Upgrades	FTA 5307	24,951,874
Systemwide Track Rehab & Related Struct.	FTA 5309	20,426,361
CalTrain Centralized Control System	RTIP	15,158,107
Caltrain Stations - Safety Improvement Program	FTA 5309	13,223,001
Caltrain Electrification	STP	12,000,000
Passenger car rehabilitation	FTA 5307	10,194,420
Millbrae Intermodal Improvements	FTA 5309	10,000,000
Track and Signal Replacement and Upgrade	CMAQ	9,000,000

Non-Discretionary Projects		
Baby Bullet (a.k.a. Caltrain Express)	TCRP	127,000,000
San Bruno Station Relocation & Improv.	OTHER LOCAL	10,000,000
Caltrain Maintenance Facility	OTHER LOCAL	13,347,543
Caltrain Maintenance Facility	OTHER LOCAL	10,481,000
Systemwide Track Rehab & Related Struct.	OTHER LOCAL	8,993,000
Track rehabilitation project	OTHER LOCAL	8,367,953

**Table 2. Illustrative Projects for Transit Properties in EJ Analysis
FY1998 - 2005**

Muni

Discretionary Projects		
SF MUNI Light Rail Vehicle Acquisition	FTA 5309	126,483,275
Motor Coach Replacement Program (455)	FTA 5307	117,723,000
SF MUNI Trolley Bus Replacement Program	FTA 5307	91,161,244
SF Muni Rail Replacement Program 1998-20	FTA 5307	47,022,617
3rd St LRT: Ph 1 & Metro E. Rail Facility	FTA 5309	45,167,110
3rd St LRT: Ph 1 & Metro E. Rail Facility	BRIDGE TOLL	30,000,000
SF Muni Trolley Overhead Recon. Program	FTA 5307	29,917,936
3rd St LRT: Ph 1 & Metro E. Rail Facility	RTIP	25,000,000
Motor coach repl 455 - 51 40" new flyers	FTA 5307	19,884,454
SF MUNI Trolley Bus Replacement Program	CMAQ	19,490,000
3rd St LRT: Ph 1 & Metro E. Rail Facility	RTIP	16,500,000
Motor Coach Replacement Program (455)	BRIDGE TOLL	12,381,969

Non-Discretionary Projects		
3rd St LRT: Ph 1 & Metro E. Rail Facility	OTHER LOCAL	302,309,404
SF MUNI Light Rail Vehicle Acquisition	OTHER LOCAL	155,574,000
3rd St LRT: Ph 1 & Metro E. Rail Facility	TCRP	126,000,000
3rd St LRT: Ph 1 & Metro E. Rail Facility	OTHER LOCAL	27,273,000
Motor Coach Replacement Program (455)	OTHER LOCAL	27,034,158
SF MUNI Trolley Bus Replacement Program	OTHER LOCAL	26,633,134
Motor coach repl 455 - 51 40" new flyers	OTHER LOCAL	23,669,648
SF Muni Rail Replacement Program 1998-20	OTHER LOCAL	23,627,087
SF MUNI Trolley Bus Replacement Program	FTA 5309 BUS	21,589,496

**Table 2. Illustrative Projects for Transit Properties in EJ Analysis
FY1998 - 2005**

VTA

Discretionary Projects		
Vasona Corridor Ext. Woz Wy to Campbell	RTIP	46,553,000
Tasman East LRT Project (phases 1 and 2)	RTIP	24,875,000
Tasman Corridor East LRT Extension	RTIP	24,780,000
Bus Purchase	FTA 5307	24,129,860
North Bus Yard Reconstruction	FTA 5307	17,932,000
Tasman West LRT project	RTIP	14,028,000
Bus Replacement	FTA 5307	10,609,942
LRV Maintenance Facility Expansion	FTA 5309	9,294,546
Tasman Corridor East LRT Extension	RTIP	9,160,000

Non-Discretionary Projects		
Vasona Corridor Ext. Woz Wy to Campbell	OTHER LOCAL	152,965,000
Tasman East LRT Project (phases 1 and 2)	OTHER LOCAL	142,103,000
New Rail Vehicles - Tasman/Capitol/Vason	OTHER LOCAL	97,000,000
Tasman West LRT project	FTA 5309	80,144,157
Peninsula commute service Vasona Junction	FTA 5309	80,000,000
Tasman Corridor East LRT Extension	OTHER LOCAL	28,903,000
Peninsula commute service Vasona Junction	RTIP	20,644,000
Bus Purchase	OTHER LOCAL	16,791,184
Downtown East Valley Project	OTHER LOCAL	16,000,000